



# GOODWILL INDUSTRIES

OF GREATER NEW YORK & NORTHERN NEW JERSEY, INC.

January 5, 2005

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ACCSES New Jersey

CARF Accredited New Jersey

G. John Heyer

Committee for Purchase From People Who Are Blind or Severely Disabled

1421 Jefferson Davis Highway, Jefferson Plaza 2, Suite 10800

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(703) 603-0655 Fax

Dear Mr. Heyer:

I am writing in behalf of Goodwill Industries of Greater New York and Northern New Jersey to express opposition to the terms of the proposed notice of rulemaking [Docket No. 2004-01-01] from the President's Committee for Purchase From People Who Are Blind or Severely Disabled. We feel that the proposed changes regarding governance standards for nonprofit agencies participating in the Javits-Wagner-O'Day (JWOD) Program exceed the scope of the Committee's authority and Congressional mandate.

Goodwill Industries of Greater New York and Northern New Jersey is a 501(c)3 not-for-profit serving more than 63,000 people a year, including more than 12,000 persons with disabilities. We placed 1,754 persons with disabilities in jobs in 2003, and had 2,700 working in Goodwill's industries. We also conducted programs to help persons with other barriers to employment, provided educational and recreational services to children and youth, and ran three Family Learning Centers offering education and training.

The authorizing statute for the JWOD program clearly delineates the powers and responsibilities of the Committee (41 CFR 51-2.2, 41 U.S.C. § 46). These powers and responsibilities do not extend to establishing governance standards or executive compensation. Both Congress and the Internal Revenue Service (IRS) have jurisdiction over these areas. The Committee's mandate is to decide which commodities and services should be on its procurement list, determine fair market prices and inform federal agencies about the JWOD program.

As a participating JWOD agency, we would hope that the Committee would comply fully with the Congressional intent to provide employment and training opportunities for persons who are blind or have other severe disabilities and not delve into governance or other standards for which it lacks both Congressional and statutory authority. The proposed rules will impact the entire participating nonprofit community, despite the Committee's own comment that the overwhelming majority of JWOD-affiliated central nonprofit agencies and nonprofit agencies operate in an ethical and accountable manner.

The statutory authority and regulations, as well as the legislative history, in addition to the applicable federal case law, do not support the Committee's actions. Furthermore, we have concerns understanding the Committee's rationale for assuming regulatory authority over the governance standards for participating nonprofit, tax-exempt 501(c)3 organizations, because numerous federal entities exist to regulate these organizations.

We believe that the proposed rules do not advance the Congressional intent of the enacting JWOD legislation, and would, if adopted, diminish the program's ability to increase employment opportunities for blind and disabled persons. We respectfully request that the Committee withdraw these rules.

Sincerely,

Rex L. Davidson

President and Chief Executive Officer